

# Earnings Presentation

Q1 2023

d·local



**Sebastián Kanovich**  
Chief Executive Officer



**Jacobo Singer**  
President, COO



**Diego Cabrera Canay**  
Chief Financial Officer



**Maria Oldham**  
VP of Corp. Development, IR

# Safe Harbor

This presentation may contain forward-looking statements.

These forward-looking statements convey dLocal's current expectations or forecasts of future events. Forward-looking statements regarding dLocal involve known and unknown risks, uncertainties and other factors that may cause dLocal's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Certain of these risks and uncertainties are described in the "Risk Factors," and "Cautionary Statement Regarding Forward-Looking Statements" sections of dLocal's filings with the U.S. Securities and Exchange Commission.

Unless required by law, dLocal undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date hereof.

# We are building the best financial infrastructure for emerging markets

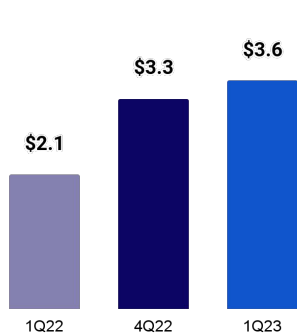
Cairo, Egypt.

# Strong performance in 1Q23; reporting record financial results

## Total Processed Volume

**\$3.6B**

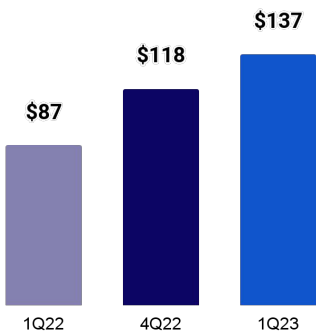
▲ +70% YoY | +8% QoQ



## Revenue

**\$137M**

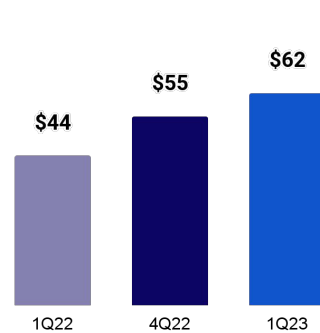
▲ +57% YoY | +16% QoQ



## Gross Profit

**\$62M**

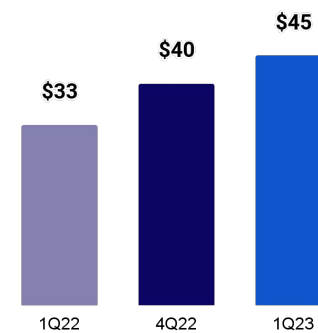
▲ +42% YoY | +12% QoQ



## Adjusted EBITDA<sup>1</sup>

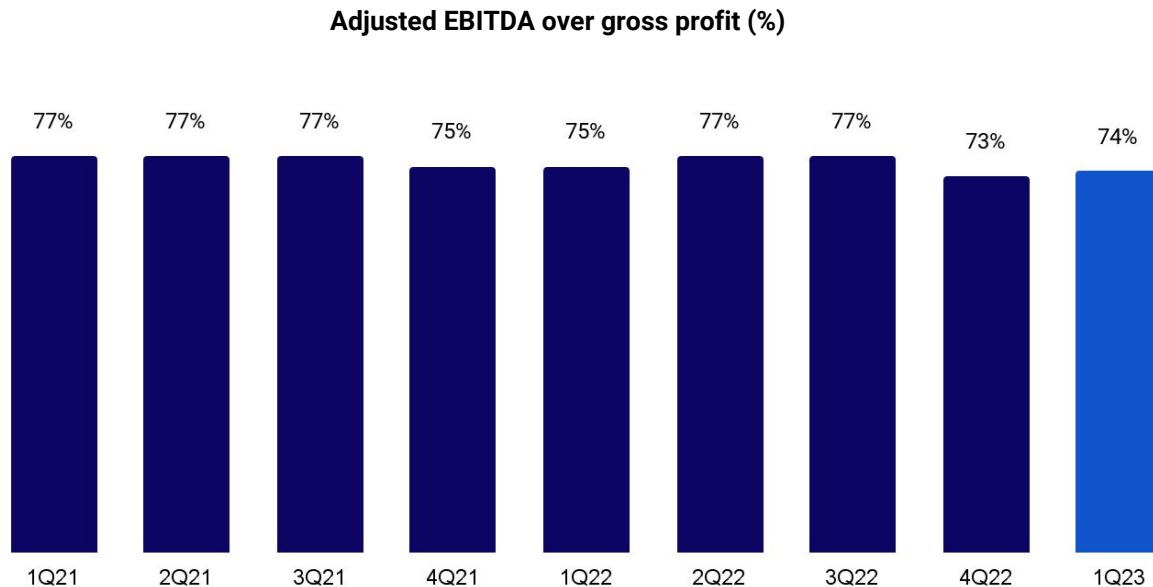
**\$45M**

▲ +38% YoY | +13% QoQ



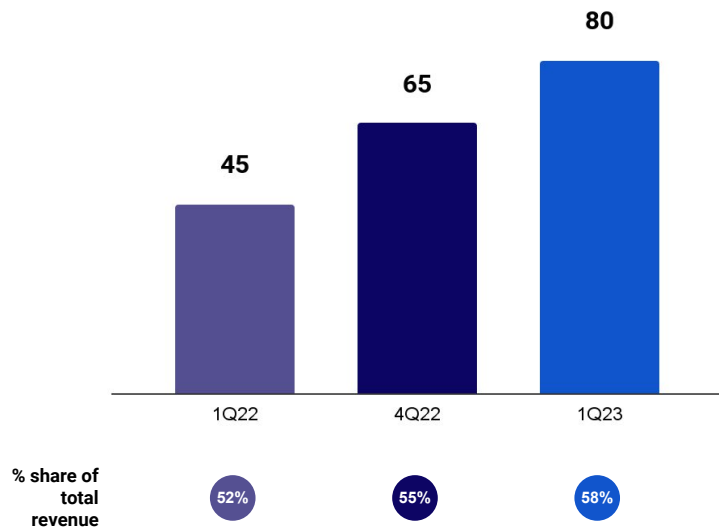
Note: <sup>1</sup> dLocal has only one operating segment. Although Adjusted EBITDA may be commonly viewed as non-IFRS measure in other contexts, pursuant IFRS 8, Adjusted EBITDA is treated by dLocal as IFRS measure based on the manner in which dLocal utilizes these measures. See detailed methodology for Adjusted EBITDA in appendix. Unaudited quarterly results.

## Consistently delivering Adjusted EBITDA over gross profit >70% while investing in the future



## Top 10 merchants well-diversified across industries; including 2 new entrants

Top 10 merchant revenue<sup>1</sup> (\$M) and concentration (%)



<sup>1</sup>Note: Top 10 merchants may vary from period to period.

## Successful cross-selling strategy



Average # of countries per top 10 merchants

**10 countries**



# of top 10 merchants with presence in Africa and Asia

**10 out of 10**



# of top 10 merchants operating both cross-border and local-to-local

**8 out of 10**



# Localizing payments in 40 countries across emerging markets





# Nigeria's great opportunity: unlocking complex markets for our global merchants



As of 1Q23,  
**6 out of the top 10**  
merchants  
(in terms of revenue)  
operate with us in Nigeria



**Net take rate** is largely **in line with other markets** in which we operate



**Global merchants benefit** from our integration with non-traditional payment methods as only **~3% of Nigerians** have a credit card <sup>1</sup>

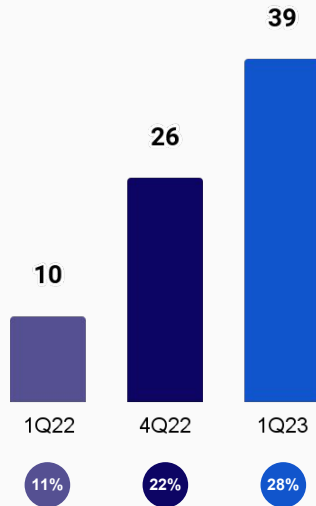
## Tremendous growth in Africa and Asia mainly driven by Nigeria...



Africa & Asia revenue

(\$M)

**53%** QoQ  
**297%** YoY



% share of total revenue

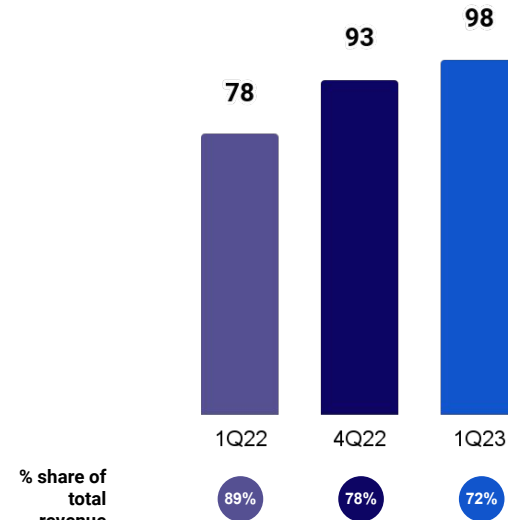
## ...while continuously growing our Latam business



Latin America revenue

(\$M)

**6%** QoQ  
**27%** YoY



% share of total revenue

# We continue to grow our global team whilst maintaining a lean culture

Most of the hires for the period were for tech-related roles and sales & marketing

## FTE evolution (#)

AFRICA & ASIA

173

▲ +77% YoY

AMERICAS

590

▲ +27% YoY

# 763

▲ +201 FTEs or 36% Employee Growth YoY

Note: FTE includes employees and contractors.

## FTE by function (%)

Technology **41%**

Corporate central functions **20%**

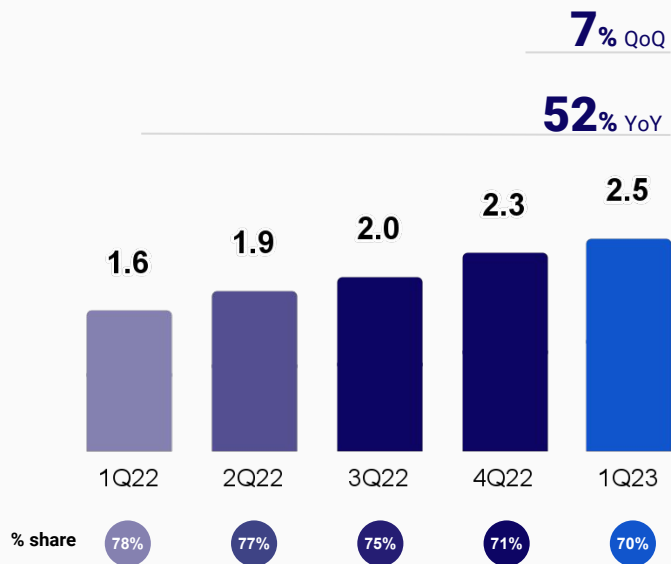
Sales & Marketing **20%**

Operations & Expansion **19%**

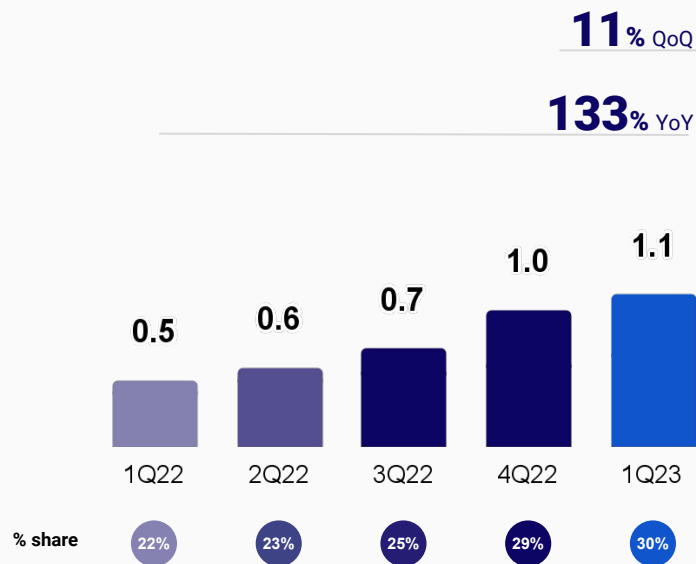
# Financial Highlights

## Sustained growth rates in Pay-ins and Pay-outs

Pay-ins<sup>1</sup> TPV evolution (\$B)

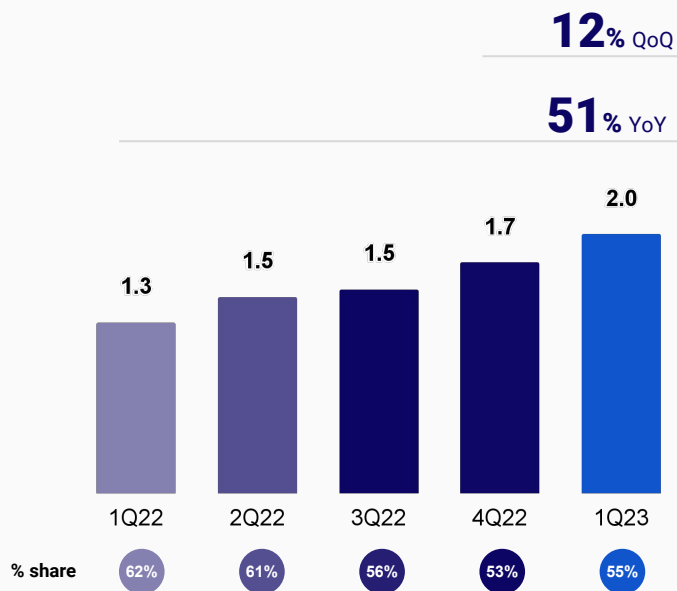


Pay-outs<sup>1</sup> TPV evolution (\$B)

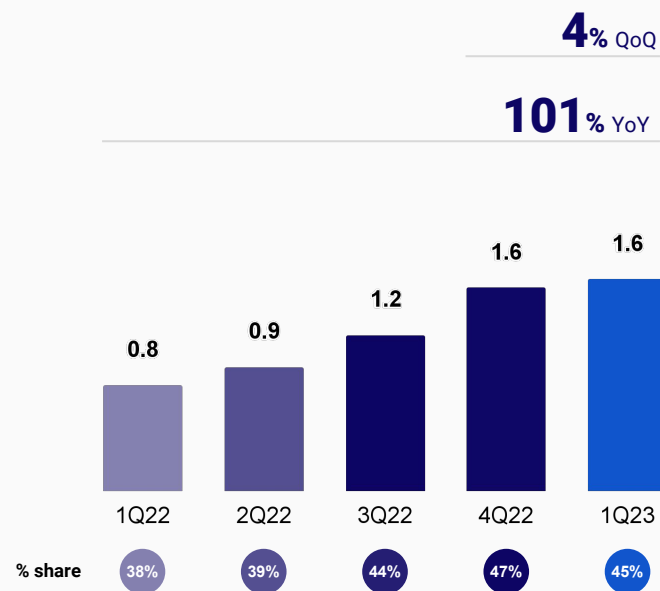


## Continuous TPV expansion across services

Cross-border<sup>1</sup> TPV evolution (\$B)



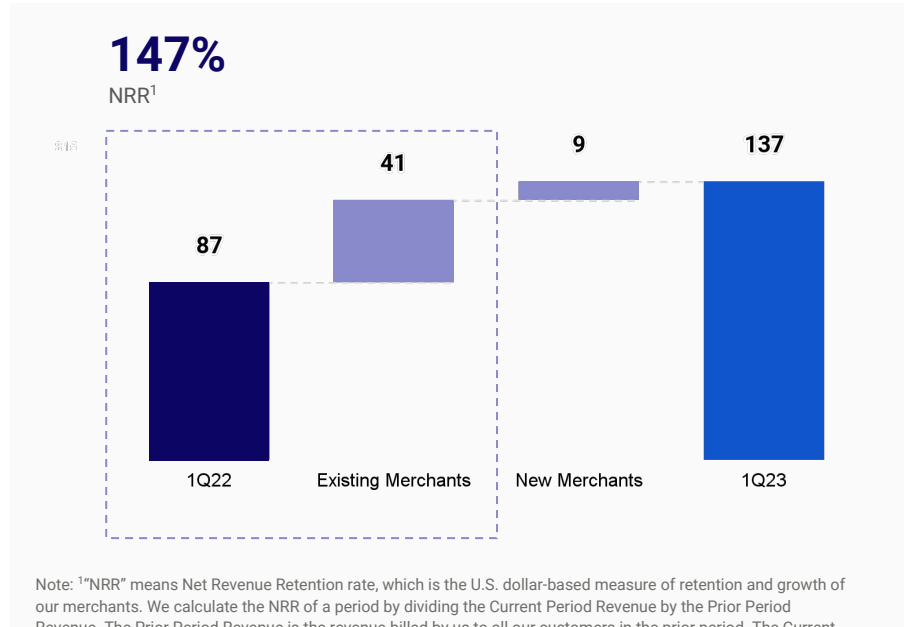
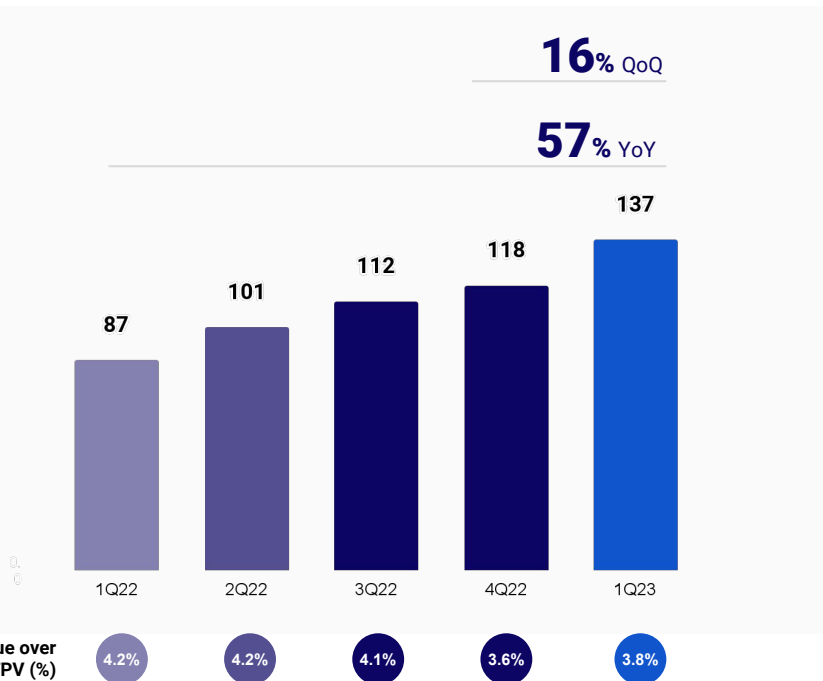
Local-to-Local<sup>1</sup> TPV evolution (\$B)



# Another quarter of revenue growth, reaching a record of \$137M in 1Q23 and a strong 147% NRR

Revenue evolution (\$M)

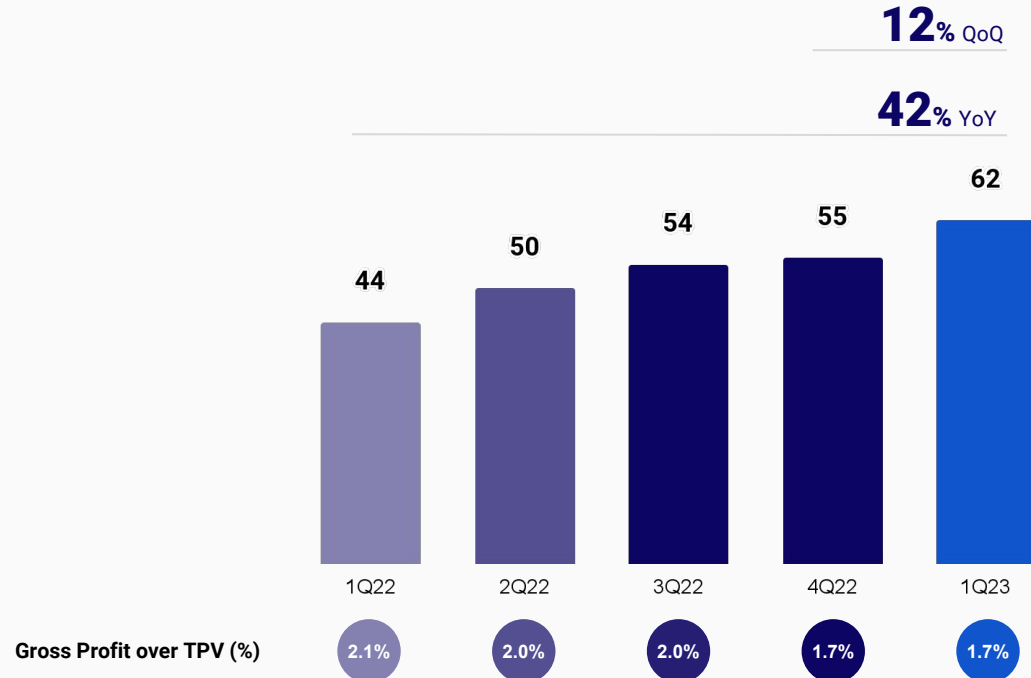
Revenue composition (\$M)



Note: <sup>1</sup>"NRR" means Net Revenue Retention rate, which is the U.S. dollar-based measure of retention and growth of our merchants. We calculate the NRR of a period by dividing the Current Period Revenue by the Prior Period Revenue. The Prior Period Revenue is the revenue billed by us to all our customers in the prior period. The Current Period Revenue is the revenue billed by us in the current period to the same customers included in the Prior Period Revenue. Current Period Revenue includes any upsells and cross sells of products, geographies, and payment methods to such merchant customers, and is net of any contractions or attrition, but excludes revenue from new customers onboarded in the last 12 months.

# Continued maximizing gross profit dollar growth

Gross Profit (\$M) evolution

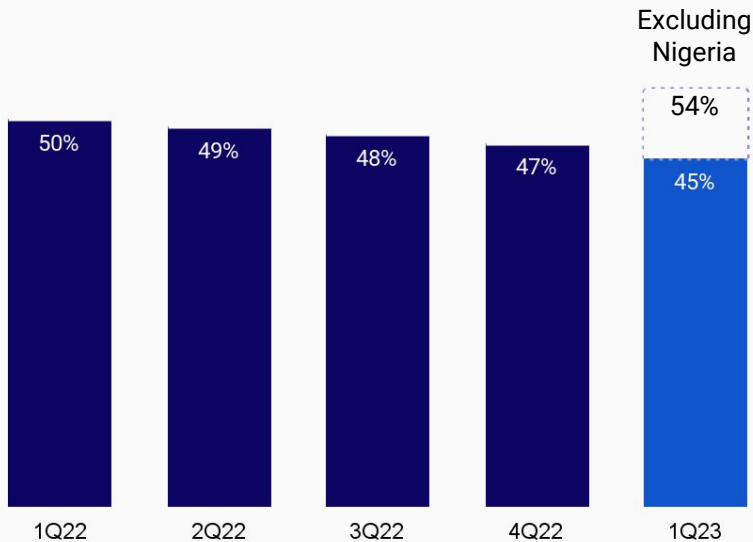




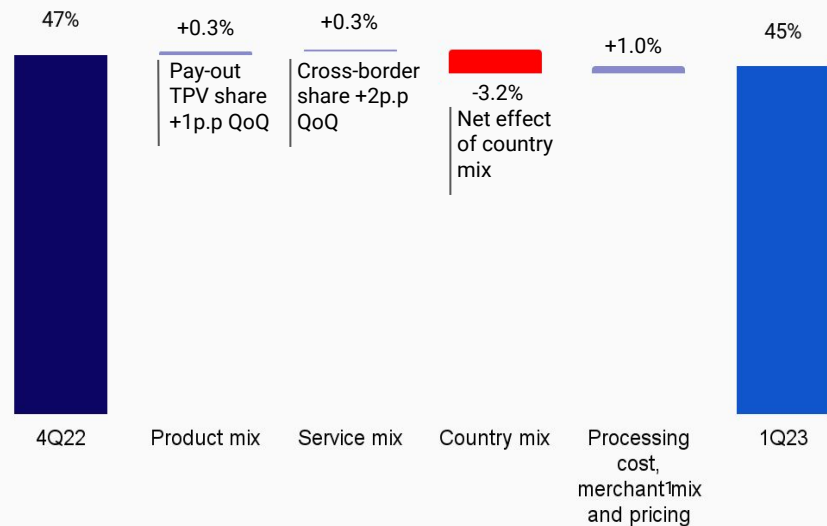
# Gross margin impacted by high growth in expansion market

Gross margin excluding Nigeria > 50%

Gross Profit margin (%) evolution

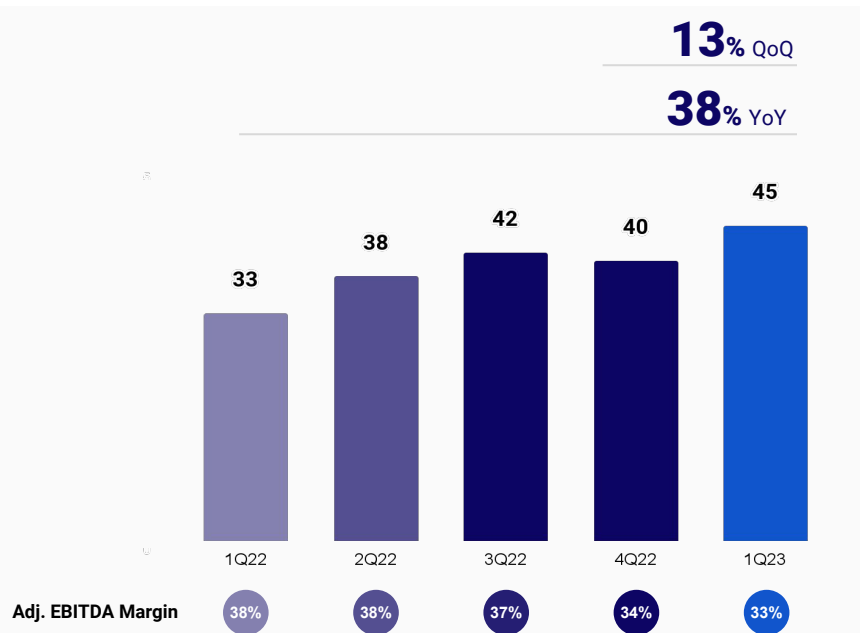


Gross Profit margin (%) QoQ bridge

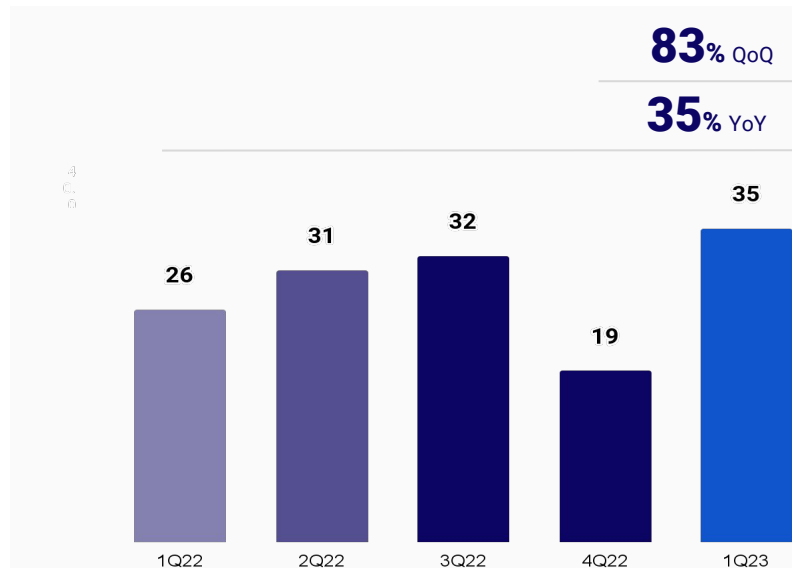


## Strong Adjusted EBITDA and net income growth

Adj. EBITDA<sup>1</sup> (\$M) and Adj. EBITDA margin (%) evolution



Net income evolution (\$M)

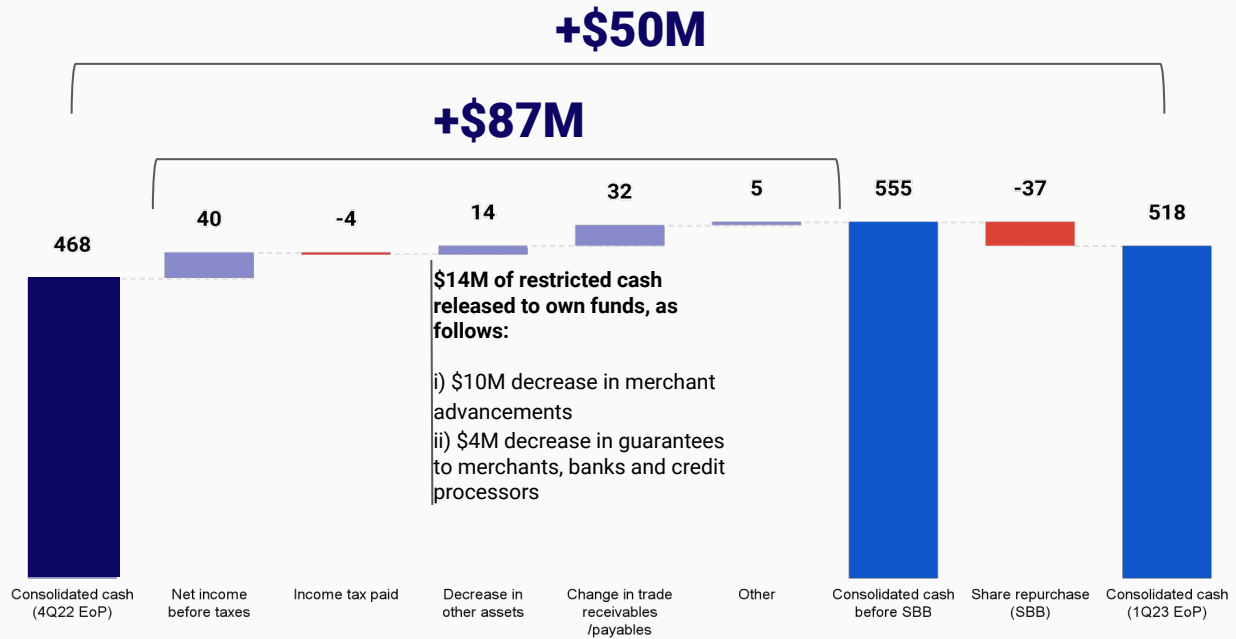


Note: <sup>1</sup>dLocal has only one operating segment. Although Adjusted EBITDA and Adjusted EBITDA Margin may be commonly viewed as non-IFRS measures in other contexts, pursuant to IFRS 8, Adjusted EBITDA and Adjusted EBITDA Margin are treated by dLocal as IFRS measures based on the manner in which dLocal utilizes these measures. See detailed methodology for Adjusted EBITDA and Adjusted EBITDA Margin in appendix.

# Increased our robust cash position while executing on our share buyback program



Cash reconciliation (\$M)



Cash conversion >100%

**Robust cash position** as of March 31, 2023 (\$233M of own funds and \$285M of merchant funds), in addition to \$43M in restricted cash

**d-local**

# INVESTOR DAY 2023

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JUNE 8 | 8:30 AM - 12:30 PM | NEW YORK



# Highlights

We power a **massive and expanding emerging markets ecosystem** accepting more than **900 local payment methods** across **40 countries**

We are **directly integrated** with some of the world's largest online merchants, driving very strong NRR and cohort performance

We have built a **scalable, single API technology infrastructure** that makes the complex simple for merchants across emerging markets

Our business model is **diversified across industries, clients and geographies**

We are **growing rapidly and profitably at scale with strong cash generation**

# Thanks

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# APPENDIX

# TPV

## TPV breakdown by type of product<sup>1</sup>

In millions of US\$	1Q22	2Q22	3Q22	4Q22	1Q23	LTM1Q22	LTM1Q23
Pay-ins	1,644	1,881	2,046	2,334	2,503	5,236	8,764
<i>As % of total</i>	78%	77%	75%	71%	70%	72%	73%
Pay-outs	460	552	687	962	1,072	1,991	3,273
<i>As % of total</i>	22%	23%	25%	29%	30%	28%	27%
<b>Total TPV</b>	<b>2,104</b>	<b>2,433</b>	<b>2,734</b>	<b>3,296</b>	<b>3,574</b>	<b>7,227</b>	<b>12,037</b>

## TPV breakdown by type of flow<sup>2</sup>

In millions of US\$	1Q22	2Q22	3Q22	4Q22	1Q23	LTM1Q22	LTM1Q23
Cross-border	1,302	1,487	1,544	1,745	1,960	4,614	6,735
<i>As % of total</i>	62%	61%	56%	53%	55%	64%	56%
Local to Local	802	946	1,190	1,550	1,615	2,613	5,302
<i>As % of total</i>	38%	39%	44%	47%	45%	36%	44%
<b>Total TPV</b>	<b>2,104</b>	<b>2,433</b>	<b>2,734</b>	<b>3,296</b>	<b>3,574</b>	<b>7,227</b>	<b>12,037</b>

Note: <sup>1</sup>"Pay-in" means a payment transaction whereby dLocal's merchant customers receive payment from their customers. "Pay-out" means a payment transaction whereby dLocal disburses money in local currency to the business partners or customers of dLocal's merchant customers. <sup>2</sup>"Cross-border" means a payment transaction whereby dLocal is collecting in one currency and settling into a different currency and/or in a different geography. "Local-to-local" means a payment transaction whereby dLocal is collecting and settling in the same currency.



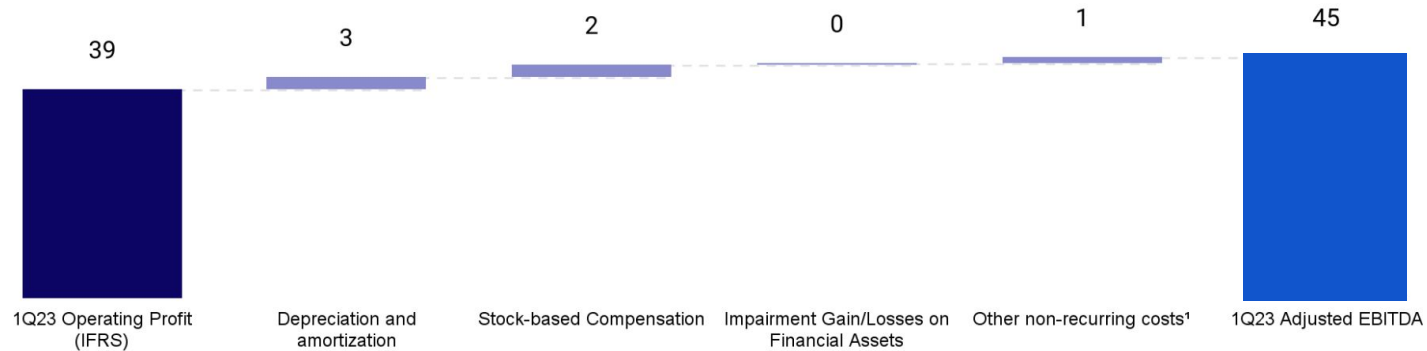
# Revenue

## Revenue breakdown by geography

In millions of US\$	1Q22	2Q22	3Q22	4Q22	1Q23	LTM1Q22	LTM1Q23
Brazil	18.1	20.7	21.8	23.4	22.8	68.4	88.8
Argentina	21.1	23.2	19.1	14.2	20.0	61.0	76.5
Mexico	12.9	16.0	16.6	22.4	22.7	40.4	77.8
Chile	12.1	12.7	13.7	13.9	14.2	44.4	54.6
Other Latam	13.4	15.0	16.0	18.9	18.5	51.1	68.4
<b>Latin America</b>	<b>77.6</b>	<b>87.6</b>	<b>87.3</b>	<b>92.9</b>	<b>98.2</b>	<b>265.3</b>	<b>366.0</b>
Nigeria	1.6	4.5	13.6	14.1	26.9	1.6	59.1
Other Africa & Asia	8.2	9.1	10.9	11.5	12.1	8.2	43.7
<b>Africa &amp; Asia</b>	<b>9.8</b>	<b>13.6</b>	<b>24.5</b>	<b>25.6</b>	<b>39.0</b>	<b>26.0</b>	<b>102.8</b>
<b>Total Revenue</b>	<b>87.5</b>	<b>101.2</b>	<b>111.9</b>	<b>118.4</b>	<b>137.3</b>	<b>291.3</b>	<b>468.8</b>

## Adjusted EBITDA

### 1Q23 Adjusted EBITDA Bridge (\$M)



Note: Adjusted EBITDA excludes one-off expenses and non-cash items.

<sup>1</sup>Other non-recurring costs include costs related to an internal review of the allegations made by a short-seller report, including fees from independent counsel, independent global expert services and forensic accounting advisory firm.

# Adjusted EBITDA

## Reconciliation of Profit to Adjusted EBITDA

\$ in thousands	Three months ended 31 of March	
	2023	2022
<b>Profit for the period</b>	<b>35,450</b>	<b>26,273</b>
Income tax expense	4,281	1,213
Depreciation and amortization	2,515	1,723
Finance income and costs, net	(1,391)	1,293
Share-based payment non-cash charges	2,329	2,034
Secondary offering expenses <sup>1</sup>	-	89
Impairment loss / (gain) on financial assets	51	(75)
Inflation adjustment	1,019	306
Other non-recurring costs <sup>2</sup>	1,229	-
<b>Adjusted EBITDA</b>	<b>45,483</b>	<b>32,856</b>

Note: Although Adjusted EBITDA and Adjusted EBITDA Margin may be commonly viewed as non-IFRS measures in other contexts, pursuant to IFRS 8, Adjusted EBITDA and Adjusted EBITDA Margin are treated by dLocal as IFRS measures based on the manner in which dLocal utilizes these measures. Adjusted EBITDA as used by dLocal is defined as the profit from operations before financing and taxation for the year or period, as applicable, before depreciation of property, plant and equipment, amortization of right-of-use assets and intangible assets, and further excluding the changes in fair value of financial assets and derivative instruments carried at fair value through profit or loss, impairment gains/(losses) on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses, transaction expenses and inflation adjustment.

<sup>1</sup>Corresponds to expenses assumed by dLocal in relation to secondary offerings of its shares which occurred in 2021. <sup>2</sup> It includes non-recurring costs related to an internal review of the allegations made by a short-seller report, including fees from independent counsel, independent global expert services and forensic accounting advisory firm.